

Medequip Sub 1 Limited

**Directors' report and financial
statements**

Registered number 933605

For the year ended 30 June 2000



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Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 June 2000.

Principal activities and business review

The company has not traded during the year.

Dividend

A dividend of £1,472,000 was paid on 26 June 2000 (1999: £10,805,000).

Directors

The directors who served during the year and afterwards were:

B Payne (resigned 31 March 2000)

P Riley

R Huggenberger (appointed 22 March 2000)

Directors' interests

Mr R Huggenberger and Mr P Riley are directors of the intermediate parent company, Sunrise Medical Limited, and their interests in the shares of group companies are set out in the accounts of that company.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming annual general meeting.

Approved by the board of directors on 27 July 2000 and signed on its behalf by:



P Riley
Secretary

High Street
Wollaston
Stourbridge
West Midlands
DY8 4PS

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



2 Cornwall Street
Birmingham
B3 2DL

Auditors report to the members of Medequip Sub 1 Limited

We have audited the financial statements on pages 4 to 7.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 June 2000 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG
Chartered Accountants
Registered Auditor

27 July 2000

Profit and loss account
for the year ended 30 June 2000

	<i>Note</i>	2000 £000	1999 £000
Result for the financial year		-	-
Dividends paid		(1,472)	(10,805)
Retained loss for the financial year		(1,472)	(10,805)
Retained profit brought forward		1,473	12,278
Retained profit carried forward		1	1,473

Balance sheet
at 30 June 2000

	<i>Note</i>	2000 £000	1999 £000
Current assets			
Debtors	3	5,110	6,582
Net assets		5,110	6,582
Capital and reserves			
Called up share capital	4	197	197
Share premium		4,912	4,912
Profit and loss account		1	1,473
Equity shareholders' funds	5	5,110	6,582

These financial statements were approved by the board of directors on 27 July 2000 and signed on its behalf by:



P Riley
Director

Notes

(forming part of the financial statements)

1 Accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards and under the historical cost accounting rules and with the requirements of the Companies Act 1985.

2 Directors' emoluments

None of the directors received any emoluments during the year (1999: £Nil).

3 Debtors

	2000 £000	1999 £000
Amounts owed by parent company and fellow subsidiary undertakings	5,110	6,582

4 Share capital

	2000 £000	1999 £000
Authorised:		
450,000 ordinary shares of £1 each	450	450
50,000 deferred shares of £1 each	50	50
	500	500
Allotted, called up and fully paid:		
146,858 ordinary shares of £1 each	147	147
50,000 deferred shares of £1 each	50	50
	197	197

5 Reconciliation of movements in shareholders' funds

	2000 £000	1999 £000
Result for the financial year	-	-
Dividends paid	(1,472)	(10,805)
Net decrease in shareholders' funds	(1,472)	(10,805)
Equity shareholders' funds at beginning of year	6,582	17,387
Equity shareholders' funds at end of year	5,110	6,582

6 Contingencies

The company, together with certain other UK group companies, has entered into cross guarantees with Barclays Bank PLC in respect of the borrowings of the group companies concerned.

Notes *(continued)*

7 Ultimate parent company

The company's ultimate parent company is Sunrise Medical Inc., a company incorporated in the United States of America, and its intermediate parent company is Sunrise Medical Limited, a company registered in England and Wales.

These financial statements have been consolidated in the financial statements of Sunrise Medical Limited and in the financial statements of Sunrise Medical Inc. Copies of these financial statements may be obtained from: High Street, Wollaston, Stourbridge, West Midlands DY8 4PS.

8 Related party transactions

The company is a wholly owned subsidiary and is therefore exempt from disclosure requirements regarding related party transactions.